

**Minutes
City Council/Redevelopment Agency/Public Financing Authority
City of Huntington Beach**

**Monday, August 1, 2011
4:00 PM - Room B-8
6:00 PM - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California
92648**

**An audio recording of the 4:00 PM portion of this meeting
and a video recording of the 6:00 PM portion of this meeting
are on file in the Office of the City Clerk and are archived at
www.surfcity-hb.org/government/agendas/**

4:00 PM - ROOM B-8

CALL TO ORDER – 4:04 PM

ROLL CALL

Present: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
Absent: None

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (RECEIVED AFTER AGENDA DISTRIBUTION)

City Clerk Joan L. Flynn announced receipt of the following supplemental communications: A PowerPoint entitled *City of Huntington Beach Proposed Budget* submitted by Finance Director Lori Ann Farrell, and *Remarks to the Huntington Beach City Council 08-01-11* submitted by Mr. Dan Gooch.

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS (3 Minute Time Limit)

Former Personnel Commissioner Dan Gooch read from a prepared statement that stated the reasons why he, as a private citizen, opposes Consent Item No. 22 - POA Side Letter Agreement.

STUDY SESSION

1. City Manager and staff presented an overview of the City Manager's recommended Proposed Fiscal Year 2011/2012 Budget.

City Manager Fred Wilson announced the dates for the four Study Sessions regarding the proposed FY 2011/2012 Budget, which are August 1 (today), August 8, September 1, and September 15. He noted that even though the proposed FY 2011/2012 budget document is not available for today's Study Session, and is not due until September 1, the goal is to have it available for the August 8 Study Session, and ready for a Public Hearing by September 15. He

previewed the budget items that will be addressed in today's and the August 8 Study Sessions, and deferred to Finance Director Lori Ann Farrell.

Finance Director Farrell presented the highlights of the major assumptions contained in the proposed FY 2011/2012 budget: (1) vacant positions city-wide are based upon a review by the departments regarding necessity and approval by the City Manager; and (2) no major improvements in services or enhancements in programs (except for street repairs); and (3) pension and retiree benefit plans funded at minimally required levels; and (4) no significant increases to emergency reserves; and (5) contracted pay raises are included; and (6) annual equipment funding increased to meet the 5-year restoration plan; and (7) anticipated revenue growth in FY 2011/2012; and (8) \$1.3 million transferred from capital reserves for street repairs.

Finance Director Farrell discussed the \$3.5 million general fund budget challenge identified in January, and the challenge presented by the elimination of Redevelopment Agencies by the State of California, and the \$6.85 million fee imposed by the State of California for reinstitution of the Redevelopment Agency, and the \$500,000 in Vehicle License Fee (VLF) revenue recently taken back by the State. She noted that even though the FY 2011/2012 budget will be structurally balanced, the FY 2012/2013 and beyond budgets may reflect a deficit in the 5-year long-term financial plan.

Finance Director Farrell stated that the proposed FY 2011/2012 all-funds budget (General, Water, RDA, etc.) is \$312.4 million, which is about a 4% annual increase, and that the proposed FY 2011/2012 General Fund budget is \$184.1 million, which is about a 3% annual increase. She discussed how the FY 2011/2012 projected General Fund expenses of \$184.1 million exceed the projected General Fund revenues of \$182.8 million, and how that resulted in the planned reductions in full-time personnel, which is a total of 31 positions either eliminated or defunded in FY 2011/2012.

Finance Director Farrell discussed the major cost growth factors for FY2011/2012 built into the budget, including the single largest increase, which is the City's contributions to CalPERS, up by approximately \$5.4 million. Other major cost growth factors include the impact of negotiated salary increases, which are up by about \$1.4 million, general leave payouts, which are up by about \$1.2 million, and Unemployment Insurance Liabilities, which are up by about \$200,000.

Finance Director Farrell announced by department the positions recommended for defunding or elimination in the proposed FY 2011/2012 budget.

The Council and staff discussed the possibility of not eliminating the Curator position at the Arts Center in FY 2011/2012, and decided to retain the position.

Councilmember Boardman, Mayor Pro Tem Hansen, and Fire Chief McIntosh discussed the effect on response times of the planned reductions in Fire Department personnel in FY 2011/2012.

Councilmember Boardman and Police Chief Small discussed the effect on staffing levels of the planned reductions in Police Department personnel in FY 2011/2012.

Councilmember Boardman, Finance Director Farrell, and City Manager Wilson discussed the defunded Director of Community Services and vacant Senior Administrative Analyst positions.

Finance Director Farrell highlighted some of the operational reductions reflected in the proposed FY 2011/2012 budget, including elimination of the Funtime Day Camp program, reduction of the aquarium maintenance at the Central Library, reduction of the contract for the federal lobbyist in the City Manager's Office, and reductions in the Pier Plaza Maintenance and Animal Control contracts. She also stated that reductions in all categories of sundry expenses were made across-the-board in all departments.

The Council and staff discussed the effects on various departments of the proposed operational reductions.

Finance Director Farrell described the recommended \$1 million increase in the Equipment Replacements budget from \$2 million to \$3 million for FY 2011/2012, and the recommended Capital Improvement Programs budget of approximately \$28 million for FY 2011/2012, which includes the additional \$1.3 million for street repairs transferred in from existing Capital Improvement reserves.

Councilmember Boardman and Finance Director Farrell discussed the fact that equipment replacements are funded out of the General Fund revenue, and not out of reserves.

Mayor Pro Tem Hansen and Finance Director Farrell discussed the fact that the proposed FY 2011/2012 budget does not include any concessions, and that the total cost of pensions is \$25 million out of the total proposed budget of \$184.1 million.

Finance Director Farrell updated Council regarding staff's recommendations concerning the offsetting of funding shortfalls should Council opt-in to the reestablishment of the Redevelopment Agency: (1) refinancing of bonds; and (2) staff reductions; and (3) partial deferral of the tax-sharing agreements with the two major developers; and (4) other revenue comprising new or increased Parking, Recreational, Rental, and Credit Card Processing fees.

The Council, City Manager Wilson, and Finance Director Farrell discussed the reliability of the estimated revenues associated with staff's recommendations concerning how to address the annual recurring Redevelopment Agency fee shortfalls.

Councilmember Boardman and City Manager Wilson discussed the fact that reductions in the Redevelopment Agency budget could be transferred back into the General Fund budget.

Finance Director Farrell acknowledged the efforts of her staff in preparing the proposed FY 2011/2012 Budget presentation.

RECESS TO CLOSED SESSION

By consensus, the City Council recessed to Closed Session.

CLOSED SESSION

2. Pursuant to Government Code Section 54956.9, the City Council recessed into Closed Session to confer with the City Attorney regarding one potential lawsuit.

3. Pursuant to Government Code Section 54956.9, the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: Nevaroe v. Huntington Beach, WCAB Case No. ADJ4559549, Claim No. COHB-01-0012.

4. Pursuant to Government Code Section 54957.6, the City Council recessed to Closed Session to meet with its designated labor negotiators: Fred Wilson, City Manager; Paul Emery, Deputy City Manager; Bob Hall, Deputy City Manager; Michele Carr, Director of Human Resources; and Lori Ann Farrell, Director of Finance, regarding labor negotiations with all labor groups.

6:00 PM - COUNCIL CHAMBERS

RECONVENE CITY COUNCIL/REDEVELOPMENT AGENCY/PUBLIC FINANCE AUTHORITY
MEETING – 6:07 PM

CLOSED SESSION REPORT BY CITY ATTORNEY

City Attorney Jennifer McGrath reported that the Council voted unanimously to add a proposed amendment to the POA Side Letter Agreement, specifically, subject to the ratification of the Huntington Beach Police Officers' Association (HBPOA), that the HBPOA will agree to the implementation of the 3% at 55 CalPERS retirement formula upon the Huntington Beach Police Department employment of 216 sworn employees; or no later than July 31, 2013, if two of the following cities have implemented a second tier retirement formula for police public safety employees: Santa Ana, Anaheim, and Irvine.

ROLL CALL

Present: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman

Absent: None

PLEDGE OF ALLEGIANCE - Led by former Mayor Don MacAllister

INVOCATION - Given by Mayor Pro Tem Hansen

In permitting a nonsectarian invocation, the City does not intend to proselytize or advance any faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.

AWARDS AND PRESENTATIONS

Presentation - Mayor Carchio presented a commendation to Second Grader Reeve Briscoe who won the Olive Garden's Pasta Tales Essay Contest.

Presentation - Mayor Carchio presented a commendation to former Mayor Ralph Bauer, who was honored at the Orange County Human Relations Awards 40 Gala Celebration attended by over 500 people. Mr. Bauer was nominated for the award by the City's Human Relations Task Force, who designated him as "The Father of Human Relations in Huntington Beach."

Presentation - Mayor Carchio presented commendations to the generous contributors to the Hometown Heroes Banner program.

Mayor's Award - Mayor Carchio called on Deputy City Manager/Community Services Interim Director Paul Emery to present the Mayor's Award to Marine Safety Lt. Michael Baumgartner.

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (RECEIVED AFTER AGENDA DISTRIBUTION)

City Clerk Joan L. Flynn announced receipt of the following supplemental communications:

Communication submitted for Consent Calendar Item No. 3 from Alisa Cutchen, City Treasurer, dated July 27, 2011, replacing Attachments #1-4 of the June 2011 Monthly Investment Summary Report.

Communication submitted for Consent Item No. 11 from Sandra Nealon regarding Orange County Animal Care Services Contract.

Communication submitted for Consent Item No. 14 from Travis K. Hopkins, Director of Public Works revising the appropriation amount in Recommended Action "A" to \$120,000.

Communications submitted for Consent Item No. 22 regarding the adoption of the Police Officers' Association Side Letter Agreement: Diane Amendola, Catherine Banks, Armida Brashears, Charlotte Christiana, Brian Cleugh, Broc/Laura Coward, Terry Crowther, Bob Ewing, Greg Ferguson, John Gulsby, Catherine Hacker, Lynda A. Hernandez, Maria Jones, Sharon Layton, Elaine Meigs, Rich Meyer, Jacqueline Morgan, Merle Moshiri, Mike/Merle Moshiri, Jneil Nelson, Vern P. Nelson, Margaret Nerio, Linda Peterson, Gregory Pianowski, Jack/Jo Ann Radzai, Brad Shefmire, Peggy Sloan, Linda Peach Warner, Cathy Meschuk, Anita Baker, Cheryl De Marco, Eric Bryant, Shirley W. Orlando, John Ulrich, Pete Wellenstein, Brian Metherell, William G. Prescott, Ron Pascual, Randy Stuart, Lawrence S. Lee, Nancy Stuart, Kevin Smith, Vince Sipkovich, Scott McKown, David Morzella, Dan Gooch, Candace Moyer-Dokulil, Roberta Reed, Louise Stewardson, Charles E. G. Leech, Sr. (7), Daralie Hamilton, Loretta Belt, Jack & Pat Starr, Dan Kalmick, Carrie Martin, Jerrold Clarke, Dennis McKee, Brian Zeek, Vince Sipkovich, Scott McKown, Candace Moyer-Dokulil, Louise Stewardson, David Morzella, Patricia Goodman, Teamrands, and Roberta Reed (2).

Communication submitted for Public Hearing Item No. 26 - A PowerPoint entitled *Action Plan 2011-12, Community Development Block Grant and HOME Program*.

PUBLIC COMMENTS (3 Minute Time Limit)

(The number (hh:mm:ss) following the speaker's comments indicates their approximate starting time in the archived video located at <http://www.surfcity-hb.org/government/agendas/>).

Kreg Muller, President, Huntington Beach Police Officers' Association, spoke in support of Consent Item No. 22 - POA Side Letter Agreement. (00:36:58)

Jerry Wheeler, President/CEO Huntington Beach Chamber of Commerce, submitted a communication and spoke in support of Consent Item No. 22 - POA Side Letter Agreement. (00:40:24)

Margie Bunten, Director of Community Relations and Foundation at Golden West College, spoke in support of Public Hearing Item No. 25 - Boardwalk Mixed Use Project. (00:42:21)

Tricia Lindquist, Literacy Volunteers/Oak View Branch, spoke in support of Public Hearing Item No. 26 - Community Development Block Grant (CDBG)/Home Investment Program. (00:43:26)

Tim Branoff, a Huntington Beach resident, spoke in support of Consent Item No. 18A - IRC recommendation to oppose SB 152 (Pavley). (00:45:03)

Barbara Delgleize, a 38-year Huntington Beach resident, spoke in support of Consent Item No. 22 - POA Side Letter Agreement. (00:45:42)

Richard Meyer, a 20-year Huntington Beach resident, spoke in opposition to Consent Item No. 22 - POA Side Letter Agreement. (00:47:45)

Don MacAllister, a former Huntington Beach Mayor, spoke regarding the Surfing Walk of Fame. (00:49:28)

Frank Singer, a 28-year Huntington Beach resident, spoke in support of Consent Item No. 18A - IRC recommendation to oppose SB 152 (Pavley). (00:51:51)

Sandra Genis spoke in opposition to Consent Item No. 20 - Service Sharing. (00:53:40)

Karen Chepeka, President of Save Our Strays of Huntington Beach, spoke in opposition to Consent Item No. 20 - Service Sharing. (00:56:35)

Camille Coronel, representing Community Service Programs, Project PATH (Positive Action Toward Health), spoke regarding the free services they provide to the community. (00:58:43)

Richard Moore, a Huntington Beach resident, spoke in opposition to Consent Item No. 22 - POA Side Letter Agreement. (01:00:11)

Jeffrey Cooper, speaking on behalf of Huntington Beach resident Irene Cooper, spoke in support of Consent Item No. 18A - IRC recommendation to oppose SB 152 (Pavley). (01:02:30)

Nancy Rice, a resident of Huntington-By-The-Sea RV Park, spoke in support of Consent Item No. 24 - Mobile Home Advisory Board. (01:05:36)

Lisa Yen Carlson, a Huntington Beach resident, spoke regarding the need for traffic signals on Pacific Coast Highway at 14th Street, curbs delineated for handicap use at certain bus stops on Pacific Coast Highway, and reduced speeds on Pacific Coast Highway between Main Street and Goldenwest Street. (01:08:48)

In response to Ms. Carlson's concerns, Councilmember Dwyer stated that the California Department of Transportation (Caltrans) controls Pacific Coast Highway, and recommended that she contact State Assemblyman Jim Silva or California State Senator Tom Harman regarding her concerns. (01:11:18)

Judith Clark, a Huntington Beach resident, spoke in opposition to Consent Item No. 22 - POA Side Letter Agreement. (01:12:35)

Maria Hern spoke in support of the Huntington Beach Public Library (HBPL) Literacy Volunteers Family Literacy Program. (01:15:34)

Pat Hawley, a Newport Beach resident, voiced his concerns about the selection of entries made by the 4th of July Board for the City's annual 4th of July parade. (01:18:30)

Robin Leffler, a Costa Mesa resident, voiced her concerns regarding Consent Item No. 20 - Service Sharing. (01:20:12)

Blair Farley, a Huntington Beach resident, spoke in opposition to Consent Item No. 20 – Service Sharing, and in opposition to Councilmember Item No. 31 - Planning Commission Appeal Fees. (01:23:30)

Jim Shaffer spoke in opposition to Consent Item No. 18A - IRC recommendation to oppose SB 152 (Pavley). (01:26:33)

John Briscoe, a Huntington Beach resident, spoke regarding a new California State Law that allows 17 year olds to register to vote, and opined that Fountain Valley High School purportedly violates State Laws when it allegedly allows its boys gym locker room to exceed its stated occupancy load factors. (01:27:00)

Erik Peterson, a Huntington Beach resident, spoke in opposition to Consent Item No. 22 - POA Side Letter Agreement (01:30:30)

Elsa Greenfield, Community Services Director, Gang Prevention and Youth Development Program, spoke in support of Public Hearing Item No. 26 - Community Development Block Grant Program and HUD Action Plan. (01:31:52)

Bob Jones, former Finance Board member, spoke in opposition to Consent Item No. 22 - POA Side Letter Agreement. (01:33:16)

Phil Burtis, a 35-year Huntington Beach resident, spoke in opposition to Consent Calendar Item No. 22 - POA Side Letter Agreement. (01:35:19)

Lorrie Hafen, a Huntington Beach resident, spoke in opposition to Consent Calendar Item No. 22 - POA Side Letter Agreement. (01:38:43)

Shirley Orlando, a 53-year Huntington Beach resident, spoke in opposition to Consent Item No. 22 - POA Side Letter Agreement (01:41:46)

David Keogh, a concerned citizen, spoke in opposition to Consent Item No. 22 - POA Side Letter Agreement. (01:44:19)

COUNCIL COMMITTEE - APPOINTMENTS - LIAISON REPORTS AND ALL AB 1234 DISCLOSURE REPORTING

Councilmember Dwyer announced a Huntington Beach Arts Center event to be held on Thursday, August 11 from 6:00-8:00 PM, which features poetry reading with Allison Benis White, author of Self-Portrait with Crayon, and Collier Nogues, author of On the Other Side, Blue.

Councilmember Bohr submitted a written report that will be made available in the City Clerk's Office.

CITY MANAGER'S REPORT - NONE

CONSENT CALENDAR

1. Approved and adopted minutes.

A motion was made by Hansen, second Boardman to approve and adopt the minutes of the City Council/Redevelopment Agency/Public Financing Authority Regular Meeting of July 5, 2011, as written and on file in the Office of the City Clerk. The motion carried by the following roll call vote:

AYES: Boardman, Dwyer, Bohr, Carchio, Hansen, Harper, and Shaw
NOES: None

2. Received and filed the City Treasurer's May 2011 Investment Summary Report.

A motion was made by Hansen, second Boardman to receive and file the Monthly Investment Report for May 2011, pursuant to Section 17.0 of the Investment Policy of the City of Huntington Beach. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

3. Received and filed the City Treasurer's June 2011 Monthly Investment Summary Report.

A motion was made by Hansen, second Boardman to receive and file the Monthly Investment Report for June 2011, **as amended by supplemental communication replacing Attachments #1-4 of the June 2011 Monthly Investment Summary Report**, pursuant to Section 17.0 of the Investment Policy of the City of Huntington Beach. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

4. Received and filed the City Attorney's Quarterly Report - 1st Quarter 2011.

A motion was made by Hansen, second Boardman to receive and file the City Attorney's Quarterly Report for January 1, 2011, through March 31, 2011. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

5. CONTINUE TO SEPTEMBER 19, 2011 appointments to the Environmental Board.

Consent Calendar Item Nos. 5 and 6 were pulled for separate consideration by Mayor Carchio.

A discussion ensued amongst Council members regarding the roles of Liaisons and the Intergovernmental Relations Committee (IRC) relative to Committee appointments and re-appointments.

A motion was made by Carchio, second Harper to approve the appointment of Chris Ann Lunghino to the Environmental Board for a first term to expire June 30, 2015 as recommended by City Council liaisons Boardman, Shaw, and Bohr; and, approve the re-appointment of Kim Nicholson, Sue Marquez, Jim Brown and Mike Marshall to serve a second term to expire on June 30, 2015, ***as amended to move these appointments to the September 19, 2011 meeting, after the IRC has reviewed Boards/Commissions and brought their report to the City Council on September 6th.*** The motion carried by the following roll call vote:

AYES: Boardman, Dwyer, Bohr, Carchio, Hansen, Harper, and Shaw
NOES: None

6. CONTINUE TO SEPTEMBER 19, 2011 appointments to the Library Board of Trustees.

Consent Calendar Item No. 6 was pulled for separate consideration by Mayor Carchio.

A motion was made by Carchio, second Harper to approve the reappointment of Karen Faith Vogel for a second term effective July 1, 2011, through June 30, 2015; and, approve the appointments of Sherrie Daugherty and Richard Moore to their first four-year terms from July 1, 2011, through June 30, 2015, on the Library Board of Trustees as recommended by City Council Library Board Liaisons Connie Boardman and Matthew Harper, ***as amended to move these appointments to the September 19, 2011 meeting, after the IRC has reviewed Boards/Commissions and brought their report to the City Council on September 6th.*** The motion carried by the following roll call vote:

AYES: Boardman, Dwyer, Bohr, Carchio, Hansen, Harper, and Shaw
NOES: None

7. Adopted Resolution No. 2011-47 for Capital Improvement Programs for Compliance with Renewed Measure M Requirements.

A motion was made by Hansen, second Boardman to adopt Resolution No. 2011-47, "A Resolution of the City Council of the City of Huntington Beach Adopting Capital Improvement Programs For the Years 2011/2012 Through 2017/2018 For Compliance With Measure M and Proposition 111 Requirements." The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

8. Adopted Resolution No. 2011-48 confirming conformance of the City's Circulation Element with the Orange County Master Plan of Arterial Highways (MPAH).

A motion was made by Hansen, second Boardman to adopt Resolution No. 2011-48, "A Resolution of the City Council of the City Huntington Beach Declaring the Status of the Circulation Element for the City of Huntington Beach." The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

9. Approved Utility Agreement with the State of California Department of Transportation (Caltrans) for Pacific Coast Highway Resurfacing Project.

A motion was made by Hansen, second Boardman to approve and authorize the Mayor and City Clerk to execute "Utility Agreement No. 12-UT-1173." The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

10. Approved and authorized execution of an agreement with the City of Fountain Valley for Arterial Rehabilitation within Huntington Beach City Limits; and, delegated authority to the City of Fountain Valley to conduct the bid opening and award contract to the lowest responsible bidder.

A motion was made by Hansen, second Boardman to approve and authorize the Mayor, City Manager and City Clerk to execute and witness the Public Works Pavement Rehabilitation Cooperative "Agreement" for City of Huntington Beach to reimburse the City of Fountain Valley for street improvements within the City of Huntington Beach public right-of-way; and, delegate to the City of Fountain Valley the authority to award this public works project to the lowest responsive and responsible bidder in accordance with Huntington Beach Charter section 614. The Public Works Director shall be responsible for determining whether or not the City process has been complied with and may terminate the Agreement with the City of Fountain Valley at his sole discretion. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

11. Approved Exhibit B of the Orange County Animal Care Services contract for fiscal year 2011-2012.

A motion was made by Hansen, second Boardman to approve and authorize the Mayor to execute the contract, "Exhibit B to Agreement for Provision of OC Animal Care Services With City of Huntington Beach July 1, 2011 Through June 30, 2012;" and, authorize the Chief of Police to expend up to \$595,236 for animal care services. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

12. Approved a Professional Service Contract with RBF Consulting in the amount of \$196,783.00 for preparation of an Environmental Impact Report for Brookhurst Street and Adams Avenue Intersection Improvements.

A motion was made by Hansen, second Boardman to approve and authorize the Mayor and City Clerk to execute the "Professional Services Contract between the City of Huntington Beach and

RBF Consulting, a California Corporation for Brookhurst Street/Adams Avenue Intersection Improvements Project Environmental Impact Report" in the amount of One Hundred Ninety Six Thousand, Seven Hundred and Eighty Three dollars (\$196,783.00) as prepared by the City Attorney. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

13. Approved agreement with All City Management Services Inc. for Crossing Guard Services.

Consent Calendar Item No. 13 was pulled for separate consideration by Mayor Carchio.

The Council and Police Chief Small discussed the refusal by the four School Boards to enter into cost-sharing agreements for Crossing Guard services. Police Chief Small noted that State Law mandates trained Crossing Guards when certain criteria are met, and he spoke in opposition to the idea of using volunteers as Crossing Guards.

A motion was made by Carchio, second Hansen to approve and authorize the Mayor and City Clerk to execute a three-year "Agreement Between the City of Huntington Beach and All City Management Services, Inc. for Crossing Guard Services" beginning on August 30, 2011. The motion carried by the following roll call vote:

AYES: Boardman, Carchio, Hansen, Harper, and Shaw
NOES: Dwyer, and Bohr

14. Approved an appropriation from Proposition 42 Fund Balance and an amendment to the Professional Services Contract with Overland, Pacific & Cutler, Inc. for the Atlanta Avenue Widening Project, CC-1319.

A motion was made by Hansen, second Boardman to approve an appropriation of \$170,000 from Proposition 42 (219) fund balance to the Atlanta Avenue Widening, in accounts 51100 (Permanent Salaries - \$50,000) and 69365 (Professional Services - \$120,000) **as amended by supplemental communication revising the appropriation amount in Recommended Action "A" to \$120,000**; and, approve "Amendment No. 1 to Agreement between the City of Huntington Beach and Overland, Pacific & Cutler, Inc. for Right of Way, Relocation and Implementation Services" to increase the contract amount by \$50,000.00 to a total contract amount of \$150,000.00. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

15. Accepted grant funding and authorized the execution of California Energy Efficiency Strategic Plan Implementation contract with Southern California Edison in the amount of \$1,106,263 to implement four contracts to complete the tasks funded by the grant.

Consent Calendar Item No. 15 was pulled for separate consideration by Councilmember Dwyer.

Councilmember Dwyer deferred to Energy Manager Klemm, who provided an overview of the purpose and scope of the grant funds.

A motion was made by Dwyer, second Bohr to accept up to \$1,025,000 in grant funding from the California Energy Efficiency Strategic Plan Solicitation and authorize the Mayor, City Manager and City Clerk to execute the Phase 1 and Phase 2 "Southern California Edison California Energy Efficiency Strategic Plan Implementation Contract(s)"; and, accept \$81,263 in embedded California Energy Efficiency Strategic Plan funding from the Orange County Cities Energy Leader Partnership for stakeholder engagement in the development of Local Government Facility Energy Policies; and, appropriate up to \$1,025,000 for contracts and administration and implementation by staff; and, appropriate \$81,263 in embedded Strategic Plan funding from the Orange County Cities Energy Leader Partnership for stakeholder engagement in the development of Local Government Facility Energy Policies; and, approve the Memorandum of Understanding (MOU) between the partner cities (Costa Mesa, Westminster and Fountain Valley) and authorize the Mayor and City Clerk to execute the MOU; and, upon receipt of the executed SCE contracts and notice to proceed, award a Professional Services Agreement in the amount of \$144,000 to Digital Energy for implementation of the Local Government Facility Energy Policy Development task and authorize Mayor and City Clerk to execute the agreement; and, upon receipt of the executed SCE contracts and notice to proceed, enter into a Memorandum of Understanding with Los Angeles County for up to \$251,000 for the Enterprise Energy Management Information System and \$380,000 for the implementation of the SCE Phase 2 award of the Local Government Energy Management Services Program. Authorize the Mayor and City Clerk to execute the MOU; and, upon receipt of the executed SCE contracts and notice to proceed, award a Service Agreement not to exceed \$99,000 to a competitively selected firm to provide energy interns such as those from Golden West College to implement portions of the Enterprise Energy Management information System and authorize Mayor and City Clerk to execute the agreement; and, authorize City Manager to execute any subsequent documents approved as to form by the City Attorney necessary to advance, manage and complete the projects. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

16. Adopted Resolution No. 2011-49 accepting State Grant funds; authorized execution of a one-year California Department of Alcoholic Beverage Control Enforcement Grant Agreement; and, approved appropriation and expenditure of funds.

A motion was made by Hansen, second Boardman to approve and authorize Chief of Police to execute the State of California, Department of Alcoholic Beverage Control Grant Assistance Program Standard Agreement; and, adopt Resolution No. 2011-49, "A Resolution off the City Council of the City of Huntington Beach Authorizing Application for and Acceptance of Grant Funds From the State of California Department of Alcoholic Beverage Control and Authorizing Execution of the Grant Agreement;" and, approve the appropriation of \$50,000, which is to be fully reimbursed by the grant from the Department of Beverage Control; and, authorize the expenditure of \$50,000 for the authorized expenditures approved in the grant agreement. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

17. Approved and authorized the Mayor and City Clerk to execute Memorandum of Understanding (MOU) C-1-2648 with the Orange County Transportation Authority (OCTA)

approving participation by the City of Huntington Beach in the Traffic Signal Synchronization Project (TSSP) along Magnolia Street.

A motion was made by Hansen, second Boardman to approve and authorize the Mayor and City Clerk to execute "Memorandum of Understanding C-1-2648 By and Between Orange County Transportation Authority and the Cities of Anaheim, Fountain Valley, Fullerton, Garden Grove, Stanton, Westminster and the County of Orange and the State of California Department of Transportation for the Magnolia Street Traffic Signal Synchronization Project." The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

18. Approved a City Council Position on Legislation, a Regulation, or Budget Issue pending before a Federal, State, or Regional Government as recommended by the City Council Intergovernmental Relations Committee (IRC).

A motion was made by Hansen, second Boardman to approve letter of opposition to SB 152 (Pavley) – Which would allow State Lands Commission to charge "rent" for any recreational pier extending over state waterways; and, approve letter of support for AB 723 (Bradford) with amendment – Extends the sunset date on the public goods charge (PGC) for energy efficiency from 2012 to 2016. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

19. Adopted Resolution No. 2011-50 appointing the City Clerk as Housing Authority Clerk.

A motion was made by Hansen, second Boardman to adopt Resolution No. 2011-50 appointing the City Clerk as Housing Authority Clerk. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

20. Approved and authorized execution of a Letter "Reimbursement" Agreement between the City of Huntington Beach and the City of Newport Beach for Service Sharing and Integration of Opportunities Analysis.

Consent Calendar Item No. 20 was pulled for separate consideration by Councilmember Boardman.

In response to Councilmember Boardman's inquiry, City Manager Wilson stated that the services firm was selected based upon their familiarity with the involved cities.

Councilmember Boardman stated her concerns regarding the general management of the City of Costa Mesa.

A motion was made by Boardman to authorize the City Manager to execute a "Letter (Reimbursement) Agreement" between the City of Huntington Beach and the City of Newport Beach in an amount not to exceed \$27,225, **as amended by Councilmember Boardman to**

exclude the City of Costa Mesa in sharing of services. The motion failed due to lack of a second.

Councilmember Dwyer opined that a "regional viewpoint" will help reduce costs.

A substitute motion was made by Dwyer, second Hansen to authorize the City Manager to execute a "Letter (Reimbursement) Agreement" between the City of Huntington Beach and the City of Newport Beach in an amount not to exceed \$27,225.

Mayor Pro Tem Hansen stated that how another city manages its affairs is their business, subject to review by their residents on Election Day.

Councilmember Harper stated that he generally agreed with Mayor Pro Tem Hansen's position.

Councilmember Shaw stated his concerns regarding the general management of the City of Costa Mesa.

Mayor Carchio and Councilmember Bohr agreed that the cost-sharing opportunity is the overriding consideration.

The substitute motion carried by the following roll call vote:

AYES:	Harper, Hansen, Carchio, Bohr, and Dwyer
NOES:	Shaw, and Boardman

21. Approved project plans and specifications and awarded construction contract in the amount of \$121,970.00 to R.Y. Engineering Works Inc. for Water Main Extension Projects, CC-1371, CC-1378, and CC-1408; in the event the low bidder fails to execute the contract, authorized staff to accept the second lowest bid submitted by Garcia Juarez Construction, Inc. for \$149,870; authorized the Mayor and City Clerk to execute a contract in a form approved by the City Attorney; and, authorized 20% in construction change orders.

A motion was made by Hansen, second Boardman to approve the project plans and specifications for Water Main Extension Projects, CC-1371, CC-1378, and CC-1408; and, accept the lowest responsive and responsible bid submitted by R. Y. Engineering Works, Inc., in the amount of \$121,970.00; and, in the event that the low bid contractor R. Y. Engineering Works fails to execute the contract, authorize staff to accept the second lowest and responsible bid submitted by Garcia Juarez Construction Inc., in the amount of \$149,870.00; and, authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney; and, authorize the Director of Public Works to approve up to twenty percent (20%) in construction change orders. The motion carried by the following roll call vote:

AYES:	Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES:	None

22. Adopted Resolution No. 2011-52 adopting the Police Officers' Association (POA) Side Letter Agreement extending and modifying the current Memorandum of Understanding (MOU).

Consent Calendar Item No. 22 was pulled for separate consideration by Mayor Carchio.

Mayor Carchio read a prepared statement of his standpoints regarding Pension Reform and Public Safety.

A motion was made by Carchio, second Boardman to adopt Resolution No. 2011-52, "A Resolution of the City Council of the City of Huntington Beach Amending the Memorandum of Understanding Between the City and the Police Officers' Association (POA), by adopting the Side Letter Agreement," **as amended by the Closed Session report from the City Attorney to include Closed Session amendment to the POA Side Letter, which is contingent upon the ratification of the Huntington Beach Police Officers' Association (HBPOA), that the HBPOA will agree to the implementation of the 3% at 55 CalPERS retirement formula upon the Huntington Beach Police Department employment of 216 sworn employees; or no later than July 31, 2013, if two of the following cities have implemented a second tier retirement formula for police public safety employees: Santa Ana, Anaheim, and Irvine.**

Mayor Pro Tem Hansen provided a PowerPoint presentation entitled *Huntington Beach POA Contract Extension*, which included slides titled: Pension Costs as % of General Fund; The Current Landscape; Public Employee Contract Objectives; Why this deal is not good for taxpayers; Cities are Laying Off Police Officers; and Is Huntington Beach Far Behind.?

Mayor Pro Tem Hansen spoke in opposition to adopting the Police Officers' Association (POA) Side Letter Agreement extending and modifying the current Memorandum of Understanding (MOU). He opined that the proposed terms do not contain the substantial cost reduction measures that are currently required in a second tier retirement system, and that placing Huntington Beach in third or fourth place behind surrounding cities in adopting a second tier retirement system makes no sense from a leadership perspective.

A substitute motion was made by Hansen, second Harper to adopt Resolution No. 2011-52, "A Resolution of the City Council of the City of Huntington Beach Amending the Memorandum of Understanding Between the City and the Police Officers' Association (POA), by adopting the Side Letter Agreement," **as amended to accept concessions without the amendment reported out by the City Attorney from Closed Session, and including a 2% at 55 CalPERS retirement formula.**

Mayor Carchio, Councilmembers Boardman, Bohr and Shaw all spoke in support of the original motion.

Councilmember Dwyer spoke in opposition to the original motion.

Councilmember Harper spoke in support of the substitute motion.

The substitute motion failed by the following roll call vote:

AYES:	Harper, Hansen, and Dwyer
NOES:	Shaw, Carchio, Bohr, and Boardman

A motion was made by Bohr, second Shaw to consider the original motion. The motion carried by the following roll call vote:

AYES:	Shaw, Carchio, Bohr, and Boardman
NOES:	Harper, Hansen, and Dwyer

23. Adopted two Resolutions authorizing the City Treasurer, Alisa Cutchen, to make deposits and withdrawals on behalf of the City and on behalf of the Redevelopment Agency in the State Treasurer's Local Agency Investment Fund (LAIF).

A motion was made by Hansen, second Boardman to adopt Resolution No. 2011-51, "A Resolution of the City Council of the City of Huntington Beach, authorizing Alisa Cutchen to order deposits or withdrawals on behalf of the City in the State of California Local Agency Investment Fund (LAIF);" and, adopt Resolution No. 390, "A Resolution of the Redevelopment Agency of the City of Huntington Beach, authorizing Alisa Cutchen to order deposits or withdrawals on behalf of the Redevelopment Agency in the State of California Local Agency Investment Fund (LAIF)." The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

24. Postponed appointments to the Mobile Home Advisory Board (MHAB)

A motion was made by Hansen, second Boardman to delay appointments to the Mobile Home Advisory Board. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

PUBLIC HEARING

25. Approved for introduction Ordinance No. 3916 approving Development Agreement No. 11-001 for the Boardwalk Mixed Use Project.

City Manager Wilson reviewed the subject matter of the Public Hearing, and deferred to Senior Planner Jennifer Villasenor, who provided a PowerPoint presentation which included slides titled: Request; The Boardwalk Mixed Use Project Site Plan Review No. 10-004; DA No. 11-001; and Recommendation. Senior Planner Villasenor stated that staff recommends that the Council approve the development agreement and adopt the ordinance. She also stated that the developer was in attendance and available to answer questions.

In response to Councilmember Dwyer's inquiry, Mike Winter of Sares-Regis Group (Developer) stated that they were partially funding access to Bella Terra as well as to the Red Oak property.

Mayor Carchio opened the Public Hearing.

City Clerk Flynn stated that there were no late communications for Agenda Item No. 25.

Mike Winter of Sares-Regis Group (Developer) thanked the Planning Commission for approving the project, and staff and the City Attorney for their efforts in creating the agreement.

With no one else wishing to be heard, Mayor Carchio closed the Public Hearing.

Councilmember Dwyer spoke in support of the approval of the development agreement, and thanked staff for their efforts.

Councilmember Boardman suggested that the public park maintained by the project be named after Violet Cowden, a deceased longtime Huntington Beach resident.

A motion was made by Bohr, second Harper to approve Development Agreement No. 11-001 with findings for approval; and, approve for introduction Ordinance No. 3916, "An Ordinance of the City of Huntington Beach adopting a Development Agreement by and between the City of Huntington Beach and Freeway Industrial Park (Property Owner) and Sares-Regis Group (Developer)."

The motion carried by the following roll call vote:

AYES: Boardman, Dwyer, Bohr, Carchio, Hansen, Harper, and Shaw
NOES: None

City Clerk Flynn read into the record for introduction, by title only, Ordinance No. 3916.

26. Approved the 2011-2012 Housing and Urban Development (HUD) Action Plan for the Community Development Block Grant (CDBG)/HOME Investment Partnership Program (HOME); and authorized the City Manager to sign for federal assistance funds.

City Manager Wilson reviewed the subject matter of the Public Hearing, and deferred to Deputy Economic Development Director Kellee Fritzal.

Deputy Director Fritzal provided a PowerPoint presentation entitled *Action Plan 2011-12, Community Development Block Grant and HOME Program*, which included slides titled: Action Items; CDBG Allocation Process; Consolidated Plan; CDBG Category Allocations; CPAB/Staff Recommendations Non-Public Services; Public Service; and 2011/2012 HOME Allocation.

Mayor Carchio opened the Public Hearing.

City Clerk Flynn announced that one late communication was received for Agenda Item No. 26.

Shirley Dettloff spoke in support of the AltaMed Medical Care Center in Huntington Beach.

With no one else wishing to be heard, Mayor Carchio closed the Public Hearing.

Councilmembers Boardman and Dwyer commented on the fund allocations.

A motion was made by Hansen, second Bohr to approve the 2011-2012 Housing and Urban Development (HUD) Action Plan for the Community Development Block Grant (CDBG)/HOME Investment Partnership Program (HOME) **as amended by supplemental communication (Public Services Recommendations by CPAB/Staff and from the City Council Study Session)**; and, authorize the City Manager to sign for federal assistance funds. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Hansen, Carchio, Bohr, and Dwyer
NOES: Boardman

ORDINANCES FOR INTRODUCTION

27. Approved for introduction Ordinance No. 3915 instituting an updated version of Chapter 5.44 of the Huntington Beach Municipal Code relating to Entertainment Permits.

City Manager Wilson reviewed the subject matter of the Ordinance, and deferred to the Police Chief.

Police Chief Small described the three minor changes and one significant change related to Entertainment Permits which he feels will improve the current processes.

Councilmember Boardman and City Attorney McGrath discussed the Ordinance revision process.

A motion was made by Boardman, second Dwyer to repeal current version of Chapter 5.44 of the Huntington Beach Municipal Code Relating to Restaurants - Amusements and Entertainment Permits; and, approve for introduction Ordinance No. 3915, "An Ordinance of the City of Huntington Beach instituting Chapter 5.44 of the Huntington Beach Municipal Code Relating to Entertainment Permits."

The motion carried by the following roll call vote:

AYES:	Boardman, Dwyer, Bohr, Carchio, Hansen, and Shaw
NOES:	Harper

City Clerk Flynn read into the record for introduction, by title only, Ordinance No. 3915.

28. Approved for introduction Ordinance No. 3917 amending the City of Huntington Beach Municipal Code by changing the makeup of the Personnel Commission and the terms of appointment.

City Manager Wilson reviewed the subject matter of the Ordinance.

A discussion ensued amongst Council and staff regarding the reasons why the number of Commissioners was being reduced from seven to five, and why the Personnel Commission could not be completely eliminated.

A motion was made by Carchio, second Harper to approve for Introduction Ordinance No. 3917, "An Ordinance of the City Council of the City of Huntington Beach Amending Chapter 2.72 of the Huntington Beach Municipal Code, Relating to the Personnel System."

The motion carried by the following roll call vote:

AYES:	Dwyer, Bohr, Carchio, Hansen, Harper, and Shaw
NOES:	Boardman

City Clerk Flynn read into the record for introduction, by title only, Ordinance No. 3917.

29. Approved for introduction Ordinance No. 3918 opting-in to an alternative Redevelopment Program; adopted Agency Resolution No. 391 reducing the Fiscal Year 2011/12 Affordable

Housing Allocation; and, City Council and Agency Board Approval of an Agreement between the City and Redevelopment Agency providing funding for the required payments.

City Manager Wilson reviewed the subject matter of the Ordinance.

A motion was made by Bohr, second Boardman to approve for introduction Ordinance No. 3918, "An Ordinance of the City Council of the City of Huntington Beach, California, Authorizing the City of Huntington Beach to Participate In the Alternative Voluntary Redevelopment Program, Subject to Certain Conditions and Reservations;" and, adopt Agency Resolution No. 391, "A Resolution of the Redevelopment Agency of the City of Huntington Beach Reducing Its Allocation to the Low and Moderate Income Housing Fund for the 2011-12 Fiscal Year and Making Certain Findings and Determinations;" and, approve the "Remittance Agreement Pursuant to California Health and Safety Code Section 34194.2" between the City and Redevelopment Agency to provide funding for the required payments.

The motion carried by the following roll call vote:

AYES: Boardman, Dwyer, Bohr, Carchio, Hansen, Harper, and Shaw
NOES: None

City Clerk Flynn read into the record for introduction, by title only, Ordinance No. 3918.

COUNCILMEMBER ITEMS

30. Submitted by Mayor Carchio - Council Report/Appointment of a Voting Delegate and Alternate to the League of California Cities Annual Conference and Business Meeting.

A motion was made by Bohr, second Boardman to appoint Mayor Joe Carchio to serve as the voting delegate and Council Members Don Hansen and Matthew Harper as alternates 2 and 3, respectively, to represent the City of Huntington Beach at the 2011 League of California Cities Annual Conference and Annual Business Meeting, scheduled for September 23, 2011. The motion carried by the following roll call vote:

AYES: Boardman, Dwyer, Bohr, Carchio, Hansen, Harper, and Shaw
NOES: None

31. Submitted by Mayor Carchio, and Councilmembers Dwyer and Harper - Planning Commissioner's Appeal Fee and Project Review Process.

A motion was made by Harper, second Dwyer to direct the City Attorney to draft and return with an ordinance for City Council's consideration to amend the HBZSO so that an appeal fee will be required when appealed by a Planning Commissioner, and to direct staff to work with the Planning Commission regarding the need to review every project at a Study Session by amending or eliminating the Planning Commission's Project Review Process.

Councilmember Boardman spoke in opposition to the Appeal Fee and the need to review every project at a Study Session. She opined that the low number of appeals by Planning Commissioners (six in the previous three years) did not justify the proposed changes.

A discussion ensued amongst Council members and the City Attorney regarding the justification for the Appeal Fee, and various alternative processes which could be considered for Planning Commissioner appeals.

A substitute motion was made by Shaw, second Boardman to refer this issue back to the Planning Commission for their recommendation. The motion failed by the following roll call vote:

AYES: Boardman, and Shaw
NOES: Dwyer, Bohr, Carchio, Hansen, and Harper

A motion was made by Harper, second Dwyer to consider the original motion. The motion carried by the following roll call vote:

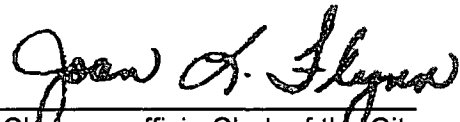
AYES: Dwyer, Bohr, Carchio, and Harper
NOES: Boardman, Hansen, and Shaw

COUNCILMEMBER COMMENTS (Not Agendized)

Comments were provided by Councilmembers Dwyer, Harper, and Mayor Carchio.

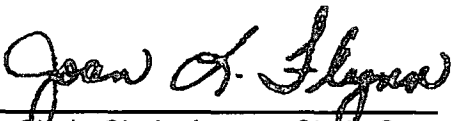
ADJOURNMENT

At 10:46 PM, Mayor Carchio adjourned the meeting to Monday, August 15, 2011 at 4:00 PM in Room B-8, Civic Center, 2000 Main Street, Huntington Beach, California.

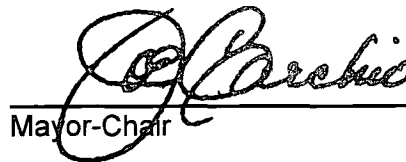


City Clerk, ex-officio Clerk of the City
Council of the City of Huntington Beach,
Clerk of the Redevelopment Agency, and
Secretary to the Public Financing Authority
of the City of Huntington Beach, California

ATTEST:



City Clerk, Clerk, Agency Clerk, Secretary



Mayor-Chair